



DEPARTMENT OF THE NAVY
FLEET AND INDUSTRIAL SUPPLY CENTER
1988 GILBERT STREET
SUITE 600
NORFOLK, VIRGINIA 23511-3392

12371 *Shirley*
to Mac
IN REPLY REFER TO

4206

02Q2D

29 DEC 1993

From: Commanding Officer, Fleet and Industrial Supply Center, Norfolk

SUBJ: REPORT AND REVIEW OF THE GOVERNMENTWIDE PURCHASE CARD

Ref: (a) NAVSUPINST Policy ltr SA 97-13 of 01 April 1997
(b) NAVSUPINST 4200.85 (Series)
(c) NAVSUPINST 4200.82B

Encl: (1) Activity Semi-Annual Internal Review Guidance

1. In our continuing effort to assist you in implementing your Purchase Card Program, I am writing to discuss your semi-annual reviews and report requirements.
2. Reference (a) requires that an internal review of the Purchase Card Program be conducted on a semi-annual basis by the Agency Program Coordinator (APC) or designee. This review should be conducted within six months after start of the program and should ensure that internal controls, local operating procedures and Naval Supply Systems Command (NAVSUP) guidance as set forth in reference (b) are being followed. Enclosure (1) provides the minimum elements to be examined during the review.
3. The results of the review should be documented in a written report addressing each element of enclosure (1). Additionally, the following information should accompany your report:
 - a. current Internal Operating Procedures (IOP)
 - b. identification of specific problem areas and corrective actions taken;
 - c. any administrative or disciplinary action taken due to non-compliance with the GSA contract, your IOP, or Navy Policy;
 - d. the total number of cardholders and Approving Officials (AOs);
 - e. copies of applicable semi-annual internal reviews;
 - f. number of cardholders and AOs reviewed;
 - g. the number and dollar value of transactions during the reporting period.
4. In accordance with reference (c), the FAS Team will conduct a desk audit to assess your program. Please submit your initial report to the FAS Team within 30 calendar days after completion of your first internal semi-annual review. After a review of your report, the FAS Team will assign a rating of "Acceptable" or make a determination that an on-site visit may be necessary. Thereafter, reports should be submitted annually within 30 calendar days of the anniversary of implementation of your program.

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5. If you have any questions or need any procurement assistance please feel free to contact us. My point of contact is Marty Harrell on (757) 443-2064 or DSN 646-2064. Our Fax number is (757) 443-2067 or DSN 646-2067.


D. L. ELLEN
By direction

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FITRON TWO ONE THREE NORFOLK VA
FITRON ONE ZERO THREE VIRGINIA BEACH VA
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FITRON TWO NORFOLK VA
FCDIT LITTLE CREEK VA
FITRON THREE TWO VIRGINIA BEACH VA
NAV RES PER MAN PERS-9 WASHINGTON DC
COMCRUDESGRU TWO NORFOLK VA
FITRON FOURTEEN VIRGINIA BEACH VA
CARAEWRON ONE TWO FOUR NORFOLK VA
NAVMATDATASYSGRU MORGANTOWN WV
CARAEWRON ONE TWO SIX NORFOLK VA
HELSUPPRON SIX NORFOLK VA
CINCLANTFLT (CMAT) NORFOLK VA
FITRON ONE HUNDRED ONE VIRGINIA BEACH VA
MICFACLANT NORFOLK VA
NAVEDTRAMET NORFOLK VA
FITRON ONE ZERO TWO VIRGINIA BEACH VA
HRSC CAPITAL WASHINGTON DC
LANTORDCOM YORKTOWN VA
BUPERS DET DAPMA NORFOLK VA

ACTIVITY SEMI-ANNUAL INTERNAL REVIEW GUIDANCE

The activity's semi-annual review shall address the overall purchase card process including the functions and responsibilities of the Cardholder, Approving Official (AO), and Agency Program coordinator (APC). At a minimum, the review shall ensure:

- a. Internal Operating Procedures are in compliance with the General Services Administration (GSA) contract, NAVSUPINST 4200.85C and applicable regulatory guidance.
- b. Cardholders and AOs have satisfied the NAVSUPINST 4200.85C formal training requirements and received training on internal operating procedures.
- c. Cardholders were properly delegated authority in writing, and the letter or SF 1402 set forth single purchase limit(s), billing cycle purchase limit(s) and transaction method(s).
- d. Action is being taken to ensure cardholders are not exceeding purchase limits established in their letter or warrant.
- e. Purchase cards are being used in accordance with NAVSUPINST 4200.85C and appropriate action is being taken when misuse of the card is identified.
- f. Procedures are in place within the activity to ensure separation of functions, receipt, inspection and acceptance and that cardholders are following prescribed procedures.
- g. The cardholder or other responsible individual is screening requisition for mandatory sources. When mandatory sources are not used, files are properly documented.
- h. Special approvals are being obtained as identified in NAVSUPINST 4200.85C.
- i. Procedures are in place to ensure adequate and proper funding is provided for each purchase if not bulk funded.
- j. There is no evidence of splitting requirements to circumvent dollar thresholds.
- k. Documentation in purchase card transaction files includes the requisition, (if not bulk funded), required approvals, evidence of screening, record of award and evidence of receipt, inspection and acceptance.
- l. Cardholders are rotating business sources.
- m. Cardholder statements are reconciled in a timely manner. Cardholders and AOs are processing invoice statements within the required timeframes. Steps are being taken to resolve questions promptly in order to avoid disputes, and procedures are in place to monitor delinquencies.
- n. The AO is reviewing monthly statements of all cardholders and verifying that purchases are necessary and in accordance with regulations, instructions and procedures.
- o. The APC and Disputes Office review disputed transaction status reports and ensure timely and appropriate procedures are being followed.
- p. The APC and the AO review invoice status reports and address delinquent invoices, ensuring outstanding issues are resolved and proper action is taken to pay late invoices.
- q. If applicable, procedures are in place to review Letters of Agreement (LOA) and orders against LOAs.
- r. If applicable, procedures are in place for use of the Purchase Card as a Payment Method.

ENCLOSURE(1)